

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

STEWART TITLE GUARANTY )  
COMPANY, a Texas corporation, )

Plaintiff, )

vs. )

A TITLE ESCROW COMPANY, INC., an )  
Illinois corporation, and K. SEAN )  
McKEE, an individual, )

Defendants. )

Case No. 05-C-50116

Judge Philip G. Reinhard  
Magistrate Judge P. Michael Mahoney

**MOTION FOR ENTRY OF JUDGMENT ORDER**

Plaintiff, Stewart Title Guaranty Company, Inc. ("Stewart"), by its attorneys, WILLIAMS MCCARTHY, LLP, moves this Court for the entry of a judgment order and in support thereof states as follows:

1. On June 14, 2007, the Magistrate Judge entered a Report and Recommendation recommending that Plaintiff's Motion for Sanctions, including default judgment, be granted.

2. By Order dated July 6, 2007, the District Court adopted the Report and Recommendation of the Magistrate Judge and entered a default judgment in favor of Plaintiff and against both Defendants and ordered that the matter be scheduled before the Magistrate for the purpose of calculating damages.

3. Attached hereto as Exhibit A is the Affidavit of Edward Tucker establishing the loss sustained by Stewart as a result of defalcations of K. Sean McKee ("McKee") and A Title Escrow Company, Inc. ("ATEC") in the amount of \$963,314.47.

4. Pursuant to ¶5(b) & (c) of the Underwriting Agreement (Exhibit A of Complaint) Defendants are obligated to Stewart for attorneys' fees, litigation expenses and costs of settlement negotiations sustained or incurred by Stewart as a result of the fraud or intentional act or omission of the Defendants.

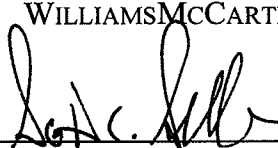
5. Attached hereto as Exhibit B is the Affidavit of Scott C. Sullivan which establishes the amount of attorney's fees and costs incurred by Stewart in investigating and prosecuting the claims against McKee and ATEC. The amount of attorney's fees and costs incurred are \$226,140.41.

6. Stewart moves for the entry of a judgment order in the amount of \$1,189,454.88 in the form attached hereto as Exhibit C.

WHEREFORE, Stewart Title Guaranty Company moves that this Court enter an Judgment Order in the form attached hereto as Exhibit C.

STEWART TITLE GUARANTY COMPANY, a  
Texas corporation, Plaintiff,

By: WILLIAMSMcCARTHY, LLP

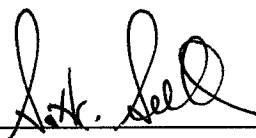
By:   
Scott C. Sullivan

CERTIFICATE OF LAWYER AND NOTICE OF ELECTRONIC FILING

The undersigned certifies that:

- 1) On July 25, 2007, the foregoing document was electronically filed with the District Court Clerk via CM/ECF filing system;
- 2) Pursuant to Rule 5 of the Federal Rules of Civil Procedure, the undersigned further certifies that a copy of the foregoing document was electronically served upon the following:

Theodore Liebovich  
Liebovich & Weber, P.C.  
415 South Mulford  
Rockford, Illinois 61108

A handwritten signature in black ink, appearing to read "Scott C. Sullivan", is written over a horizontal line.

Scott C. Sullivan

Scott C. Sullivan  
WILLIAMSMcCARTHY, LLP  
P.O. Box 219  
Rockford, IL 61105-0219  
815/987-8900

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION**

STEWART TITLE GUARANTY )  
COMPANY, a Texas corporation, )

Plaintiff, )

vs. )

A TITLE ESCROW COMPANY, INC., an )  
Illinois corporation, and )  
K. SEAN McKEE, an individual, )

Defendants. )  
)  
)  
)

Case No. 05-C-50116

Judge Philip G. Reinhard  
Magistrate Judge P. Michael Mahoney

State of Texas )  
) ss  
County of Harris )

**AFFIDAVIT OF EDWARD TUCKER**

I, Edward Tucker, being duly sworn on oath, if called to testify would state as follows:

1. I am an adult and have personal knowledge regarding the matters stated in this Affidavit.

2. I am currently employed by Stewart Title Guaranty Company ("Stewart") as an Audit Manager, and for approximately six years prior to March, 2006, my title was Senior Auditor. My primary job functions are to conduct due diligence reviews, compliance reviews, and reviews of the financial records of Stewart Title's independent agencies when questions arise regarding their business practices and whether any defalcations may have occurred.

3. I hold a bachelor's degree in accounting from Brigham Young University and am a Certified Public Accountant.

Exhibit A

4. Sometime during the week of March 14, 2005, I was informed by one of Stewart's managers that questions had arisen with respect to substantial overdrafts in the escrow accounts maintained by A Title Escrow Company, in Freeport, Illinois ("ATEC"). I was asked to perform an audit of ATEC's escrow accounts. I was told that questions had arisen regarding potential defalcations of trust funds being maintained in those escrow accounts.

5. As a result of this request, I went to ATEC's headquarters in Freeport, Illinois, the week of March 21<sup>st</sup> to perform an on-site audit of its bank accounts. This audit lasted approximately three weeks. The primary individuals involved in the audit were Lynn W. Wilburn, a private investigator hired by Stewart for this purpose, and Leah Howe, another Stewart Title employee. Two other Stewart employees, Nicole Thomas and Stephanie Wheeler, assisted during the audit, as did private investigator Susan Smith Kirby.

6. During my investigation, I learned that ATEC maintained certain accounts at Gateway Community Bank ("Gateway"), located at 5306 Williams Drive, Roscoe, Illinois as follows:

Account No.	Account Type
1034	Escrow-old
1035	Escrow-recording
1134	Escrow-west
1208	Escrow-new
1410	Operating-operating
3285	Operating-sweep
1201	Operating-property

In addition, ATEC maintained certain accounts at Kent State Bank, located at West Fairview Road, Freeport, Illinois. Those accounts included escrow accounts 4681 and 3255 and operating accounts 4788 and 4737.

7. When I began my audit activities, I was initially alerted to a series of several suspicious transactions as a result of several NSF checks drawn on the 1034 Gateway escrow account. To cover those NSF checks, ATEC, through a series of transfers between January 10, 2005 and February 1, 2005, transferred \$968,415.77 from Gateway escrow account 1208 to the 1034 account. Those transfers are set forth below:

Date	Type of Transaction	Amount
1/10/05	WT	\$229,391.94
1/12/05	WT	\$122,080.09
1/12/05	WT	\$ 56,030.18
1/13/05	WT	\$233,283.19
1/14/05	WT	\$ 50,620.81
1/18/05	WT	\$ 28,860.46
1/19/05	WT	\$ 34,227.47
1/20/05	WT	\$ 599.00
1/21/05	WT	\$ 86,627.32
1/25/05	WT	\$ 9,831.49
1/26/05	WT	\$ 2,622.11
1/27/05	WT	\$ 10,411.71
1/31/05	WT	\$ 3,830.00
2/1/05	WT	\$100,000.00

	TOTAL	\$968,415.77
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8. As a result of my investigation of the above transfers, I concluded that there was no support or adequate explanation as to why client escrow funds were transferred from the 1208 Gateway escrow account to the 1034 Gateway escrow account, other than to cover overdrafts in that account.

9. As a result of my preliminary audit activities in March and April of 2005, Stewart was able to trace and document the net transfer of \$713,689.44 of client escrow funds directly from several of ATEC's escrow accounts to its operating accounts, almost all of which was transferred during the periods of November 2004, January, February and March 2005.

10. Examples of transfers from ATEC's escrow accounts to its operating accounts include, but are not limited to, the following transactions:

Date	From	Check #	To	Amount
06 28 04	Gateway Escrow 1034	7179	Gateway Operating 1033	\$205,000.00
10 13 04	Kent Escrow 4681	10649	Gateway Operating 1033	\$50,000.00
10 25 04	Kent Escrow 4681	10651	Gateway Operating 1033	\$50,000.00
11 18 04	Kent Escrow 4681	10652	Gateway Operating 1033	\$50,000.00
01 18 05	Kent Escrow 4681	10653	Gateway Operating 1410	\$100,000.00
02 03 05	Kent Escrow 4681	10990	Gateway Operating 1410	\$40,000.00
02 16 05	Kent Escrow 4681	10991	Gateway Operating 1410	\$19,000.00
03 15 05	Gateway Escrow 1208	Wire	Gateway Operating 1410	\$200,000.00

12. The total amount of the transfers of client escrow funds from ATEC's escrow accounts to its operating accounts through April 1, 2005 was determined to be \$713,689.44.

13. As a Senior Auditor, I am aware that escrow accounts are fiduciary accounts and that the money contained in those accounts does not belong to ATEC, but rather to ATEC's customers that are ear-marked for the payment of certain obligations arising out of real estate closings and insured closing letters.

14. In furtherance of Stewart's audit activities, the accounts and records of ATEC were reviewed for the purpose of determining whether payments from ATEC's escrow accounts, that were not part of normal payroll, were made to the K. Sean McKee (ATEC's President) or his relatives. As a result of that audit, it was determined that approximately \$1,095,000 in payments outside the ordinary course of business were made to K. Sean McKee and certain of his family members.

15. As a result of ATEC's defalcations, Stewart terminated its underwriting agreement with ATEC on Monday, June 6, 2005. Later that day, the Illinois Department of Financial and Professional Regulation canceled ATEC's certificate of registration as an agent for Stewart Title. A true and correct copy of a letter from the Illinois Department of Financial and Professional regulation to ATEC was previously filed of record in this cause.

16. By early July of 2005, ATEC ceased operations.

17. On or about July 13, 2005, ATEC Gateway escrow account 1208 went into an overdraft position because the checks presented on that account exceeded the funds then available in that account.

18. In order to mitigate Stewart's losses that it owed to customers of ATEC pursuant to insured title policies and insured closing letters, and to protect the financial interests of its insureds, Stewart initially made arrangements with Gateway to review the overdrawn checks ("NSF checks") on a check by check basis to determine which checks would be funded by



Stewart. For a period of approximately two weeks, Stewart transferred funds to Gateway to cover certain NSF checks.

19. Beginning in late July of 2005, Stewart ceased transferring funds to the Gateway escrow account and instead, allowed the ATEC checks to bounce and issued new checks from the accounts of Stewart to customers of ATEC to cover liabilities under title policies and insured closing letters.

20. In order to calculate the loss that Stewart sustained as a result of ATEC's defalcations, I examined the records of Gateway, ATEC and Stewart. Attached hereto as Exhibit A is the calculation of the loss ("Loss Calculation") sustained by Stewart that I prepared. This report reveals that on or about July 13, 2005, ATEC's escrow account 1208 went into an overdraft position of approximately \$49,983.92. From July 13 through July 29, 2005, an arrangement was worked out between Gateway and Stewart, wherein Gateway would hold checks presented to the end of each day and would allow Stewart to review and approve the escrow checks when presented. Upon approval, each day Stewart would transfer funds to Gateway to cover the payment of approved checks. The amount of those transfers advanced by Stewart to cover the client escrow funds misappropriated by K. Sean McKee and ATEC were \$450,594.25. This is shown on pages one through three of the Loss Calculation.

21. Beginning on July 23, 2005, Gateway and Stewart determined that it would be easier to reimburse escrow checks on a per customer basis by reissuing checks out of Stewart's own operating account. Thereafter, Stewart reviewed all claims and checks presented for funding on a per file basis. Upon approval, Stewart would then reissue a check to cover the loss sustained by customers of ATEC as Stewart was obligated to stand behind those losses pursuant to its obligations under insured closing letters or insured title policies. The amount of the losses

sustained by Stewart as a result of the re-issuance of checks to cover previous NSF checks issued by ATEC to cover the client escrow funds misappropriated by K. Sean McKee and ATEC totaled \$512,720.22. This is shown on pages three through six of the Loss Calculation.


22. Pursuant to the Loss Calculation that I summarized in Exhibit A, I determined that the total amount of loss sustained by Stewart as a result of it having to cover insured obligations because of the misappropriation of client escrow funds by K. Sean McKeen and ATEC was \$963,314.47. This is shown on page six of the Loss Calculation. This amount does not include attorney's fees, auditing fees or other expenses incurred by Stewart, that are additional sums due and owing to Stewart by ATEC.

23. Pursuant to ¶5(b) & (c) of the Underwriting Agreement (Exhibit A of Complaint) Defendants are obligated to Stewart for attorneys' fees, litigation expenses and costs of settlement negotiations sustained or incurred by Stewart as a result of the fraud or intentional act or omission of the Defendants.

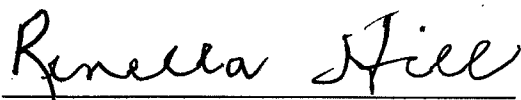
24. I have personal knowledge that the foregoing statements are true.

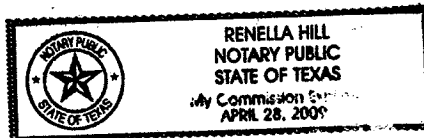
Further affiant sayeth not.

Date: July 10, 2007

  
Edward V. Tucker

Subscribed and sworn to before me  
on the 10th day of July, 2007.

  
Notary Public



Total Paid by Stewart Title Company

Appendix A - Wire Transfers from Stewart Title Company to Fund Gateway Bank

Check No.	Date	Amount	Payable to	Copy of A-Title Check	ATEC file #	Dates Presented	Date Rejected	Rejected Amount	Date Received	Date Paid	Paid Amount	Check Cleared	Obtained Check	Total	Comment
Multiple checks	Various Dates	\$49,983.92	Various Payees		Various Files	7/13/2005		49,983.92	N/A	7/13/2005	\$ 49,983.92	7/13/05		\$ 49,983.92	Total amount of checks presented on 7/13/2005 equaled \$299,845.56 total amount of funds available in the Gateway escrow account totaled \$249,861.64 leaving a shortage of \$49,983.92, which was funded by STC on 7/15/05. See attachment for further details.
Multiple checks	Various Dates	\$ 14,856.91	Various Payees		Various Files	7/29/05		\$ 14,856.91	N/A	7/29/2005	\$ 14,856.91	7/29/05		14,856.91	Total amount of checks presented on 7/29/2005 equaled \$34,149.63 total amount of funds available in the Gateway escrow account totaled \$19,292.27 due to duplicate payments, which left a balance of \$14,856.91, which was funded by STC on 7/29/05. See attachment for further details.
54447	7/18/2005	\$436.00	Mason County Treasurer			7/19/05		\$436.00	N/A	7/19/2005	\$436.00	7/19/05			
55016	7/18/2005	\$981.34	Eugene & Barb Williams			7/19/05		\$981.34	N/A	7/19/2005	\$981.34	7/19/05			
55038	7/18/2005	\$693.00	Peoria County Treasury			7/19/05		\$693.00	N/A	7/19/2005	\$693.00	7/19/05			
55619	7/18/2005	\$143.00	Warren County Treasury			7/19/05		\$143.00	N/A	7/19/2005	\$143.00	7/19/05			
58539	7/18/2005	\$347.00	Hazard Insurance			7/19/05		\$347.00	N/A	7/19/2005	\$347.00	7/19/05			
58572	7/18/2005	\$950.00	H & R Mortgage			7/19/05		\$950.00	N/A	7/19/2005	\$950.00	7/19/05			
59017	7/18/2005	\$1,995.00	H & R Mortgage			7/19/05		\$1,995.00	N/A	7/19/2005	\$1,995.00	7/19/05			
59428	7/18/2005	\$1,368.00	H & R Mortgage			7/19/05		\$1,368.00	N/A	7/19/2005	\$1,368.00	7/19/05			
60415	7/18/2005	\$575.22	Diana H. Helwig			7/19/05		\$575.22	N/A	7/19/2005	\$575.22	7/19/05			
60646	7/18/2005	\$157.00	TCF National Bank			7/19/05		\$157.00	N/A	7/19/2005	\$157.00	7/19/05			
60732	7/18/2005	\$269.93	Larry Rentschler			7/19/05		\$269.93	N/A	7/19/2005	\$269.93	7/19/05			
60809	7/18/2005	\$498.00	Danny & Rebecca Mercurio			7/19/05		\$498.00	N/A	7/19/2005	\$498.00	7/19/05			
61011	7/18/2005	\$13,292.72	Danny & Rebecca Mercurio			7/19/05		\$13,292.72	N/A	7/19/2005	\$13,292.72	7/19/05			
61156	7/18/2005	\$4,525.00	Direct Merchants Bank			7/19/05		\$4,525.00	N/A	7/19/2005	\$4,525.00	7/19/05			
61189	7/18/2005	\$216.00	TNB Target			7/19/05		\$216.00	N/A	7/19/2005	\$216.00	7/19/05			
61248	7/18/2005	\$3,619.00	BOA			7/19/05		\$3,619.00	N/A	7/19/2005	\$3,619.00	7/19/05			
61394	7/18/2005	\$1,738.00	Tazewell County Treasurer			7/19/05		\$1,738.00	N/A	7/19/2005	\$1,738.00	7/19/05			
61427	7/18/2005	\$10,514.46	ONYX Accep			7/19/05		\$10,514.46	N/A	7/19/2005	\$10,514.46	7/19/05			
61472	7/18/2005	\$514.00	Win Insurance Agency			7/19/05		\$514.00	N/A	7/19/2005	\$514.00	7/19/05			
61619	7/18/2005	\$2.77	Allen & Mary Jacobson			7/19/05		\$2.77	N/A	7/19/2005	\$2.77	7/19/05			
61625	7/18/2005	\$108.53	Larry Morgan			7/19/05		\$108.53	N/A	7/19/2005	\$108.53	7/19/05			
61672	7/18/2005	\$1,219.00	Capitol One			7/19/05		\$1,219.00	N/A	7/19/2005	\$1,219.00	7/19/05			
61675	7/18/2005	\$2,890.00	Direct Merchants Bank			7/19/05		\$2,890.00	N/A	7/19/2005	\$2,890.00	7/19/05			
61676	7/18/2005	\$2,784.00	Discover			7/19/05		\$2,784.00	N/A	7/19/2005	\$2,784.00	7/19/05			
61678	7/18/2005	\$451.00	State Farm			7/19/05		\$451.00	N/A	7/19/2005	\$451.00	7/19/05			
61749	7/18/2005	\$73.02	Mark Woodin			7/19/05		\$73.02	N/A	7/19/2005	\$73.02	7/19/05			
61764	7/18/2005	\$621.00	Kurland Insurance			7/19/05		\$621.00	N/A	7/19/2005	\$621.00	7/19/05			Bank rtn, bad endorsement
61796	7/18/2005	\$3,400.00	Olga Ramos			7/19/05		\$3,400.00	N/A	7/19/2005	\$3,400.00	7/19/05			
61809	7/18/2005	\$300.00	Data Source Appraisal			7/19/05		\$300.00	N/A	7/19/2005	\$300.00	7/19/05			
61818	7/18/2005	\$10.56	Randall & Janet Smith			7/19/05		\$10.56	N/A	7/19/2005	\$10.56	7/19/05			
58235	7/19/2005	\$1,206.00	County Treasurer			7/20/05		\$1,206.00	N/A	7/20/2005	\$1,206.00	7/20/05		\$54,692.55	Funded Gateway Bank Via Wire Transfer from STC on 7/19/05

Check No.	Date	Amount	Payable to	Copy of A-Title Check	ATEC file #	Dates Presented	Date Rejected	Rejected Amount	Date Received	Date Paid	Paid Amount	Check Cleared	Obtained Check	Total	Comment
59715	7/19/2005	\$640.00	Lawrence County Treasurer			7/20/05		\$640.00	N/A	7/20/2005	\$640.00	7/20/05			
60228	7/19/2005	\$440.00	Nicor			7/20/05		\$440.00	N/A	7/20/2005	\$440.00	7/20/05			
60998	7/19/2005	\$78.71	Starkey J. Grove			7/20/05		\$78.71	N/A	7/20/2005	\$78.71	7/20/05			
61073	7/19/2005	\$3,712.00	Capitol One			7/20/05		\$3,712.00	N/A	7/20/2005	\$3,712.00	7/20/05			
61081	7/19/2005	\$1,596.80	Linda Gale			7/20/05		\$1,596.80	N/A	7/20/2005	\$1,596.80	7/20/05			
61255	7/19/2005	\$1,113.00	Capitol One			7/20/05		\$1,113.00	N/A	7/20/2005	\$1,113.00	7/20/05			
61258	7/19/2005	\$1,185.00	Citi			7/20/05		\$1,185.00	N/A	7/20/2005	\$1,185.00	7/20/05			
61661	7/19/2005	\$43.57	Cynthia Bohnenkamp			7/20/05		\$43.57	N/A	7/20/2005	\$43.57	7/20/05			
61686	7/19/2005	\$1,600.00	Peoples Advantage			7/20/05		\$1,600.00	N/A	7/20/2005	\$1,600.00	7/20/05			
61777	7/19/2005	\$1,738.00	Finance			7/20/05		\$1,738.00	N/A	7/20/2005	\$1,738.00	7/20/05			
61778	7/19/2005	\$939.00	K's Merchandise			7/20/05		\$939.00	N/A	7/20/2005	\$939.00	7/20/05			
61779	7/19/2005	\$839.00	Lowes			7/20/05		\$839.00	N/A	7/20/2005	\$839.00	7/20/05			
61785	7/19/2005	\$211.00	Paul Biegani			7/20/05		\$211.00	N/A	7/20/2005	\$211.00	7/20/05			Rtn by bank, bad endorsement
61802	7/19/2005	\$1,556.00	Peoples Advantage			7/20/05		\$1,556.00	N/A	7/20/2005	\$1,556.00	7/20/05			
61813	7/19/2005	\$910.00	Peoples Advantage			7/20/05		\$910.00	N/A	7/20/2005	\$910.00	7/20/05			
61815	7/19/2005	\$2,999.76	Liubgmir & Neven Antevski			7/20/05		\$2,999.76	N/A	7/20/2005	\$2,999.76	7/20/05			
61824	7/19/2005	\$4,660.00	Nichols Crane Rental			7/20/05		\$4,660.00	N/A	7/20/2005	\$4,660.00	7/20/05			
														\$25,467.84	Funded Gateway Bank Via Wire Transfer from STC on 7/20/05
55270	7/20/2005	\$300.00	Eagle Appraisal			7/21/05		\$300.00	N/A	7/21/2005	\$300.00	7/21/05			
58804	7/15/2005	\$857.00	Tazenell County Treasurer			7/21/05		\$857.00	N/A	7/21/2005	\$857.00	7/21/05			
60037	7/20/2005	\$41.23	Deborah Heags			7/21/05		\$41.23	N/A	7/21/2005	\$41.23	7/21/05			
60808	7/20/2005	\$210.00	MBNA America			7/21/05		\$210.00	N/A	7/21/2005	\$210.00	7/21/05			
60810	7/15/2005	\$989.00	Riverside			7/21/05		\$989.00	N/A	7/21/2005	\$989.00	7/21/05			
61033	7/20/2005	\$700.00	Citicard			7/21/05		\$700.00	N/A	7/21/2005	\$700.00	7/21/05			
61187	7/20/2005	\$2,594.00	MBNA America			7/21/05		\$2,594.00	N/A	7/21/2005	\$2,594.00	7/21/05			
61188	7/20/2005	\$25.00	Nicor Gas			7/21/05		\$25.00	N/A	7/21/2005	\$25.00	7/21/05			
61249	7/20/2005	\$1,108.00	BOA			7/21/05		\$1,108.00	N/A	7/21/2005	\$1,108.00	7/21/05			
61260	7/20/2005	\$1,984.00	Capitol One			7/21/05		\$1,984.00	N/A	7/21/2005	\$1,984.00	7/21/05			
61261	7/20/2005	\$2,459.00	JC Penney's			7/21/05		\$2,459.00	N/A	7/21/2005	\$2,459.00	7/21/05			
61353	7/20/2005	\$240.00	Citi			7/21/05		\$240.00	N/A	7/21/2005	\$240.00	7/21/05			
61366	7/20/2005	\$65.00	Affordable Pest Control			7/21/05		\$65.00	N/A	7/21/2005	\$65.00	7/21/05			
61389	7/20/2005	\$317.00	Capitol One Bank			7/21/05		\$317.00	N/A	7/21/2005	\$317.00	7/21/05			
61515	7/20/2005	\$355.00	Seventh Avenue			7/21/05		\$355.00	N/A	7/21/2005	\$355.00	7/21/05			
61605	7/20/2005	\$623.00	Peoples			7/21/05		\$623.00	N/A	7/21/2005	\$623.00	7/21/05			
61714	7/20/2005	\$5,949.00	Fifth Third Bank			7/21/05		\$5,949.00	N/A	7/21/2005	\$5,949.00	7/21/05			
61728	7/20/2005	\$386.00	Capitol One			7/21/05		\$386.00	N/A	7/21/2005	\$386.00	7/21/05			
61744	7/14/2005	\$4,524.55	Sheila Vorba			7/21/05		\$4,524.55	N/A	7/21/2005	\$4,524.55	7/21/05			
61761	7/20/2005	\$34,744.00	Arcadia Financial			7/21/05		\$34,744.00	N/A	7/21/2005	\$34,744.00	7/21/05			
61776	7/15/2005	\$1,374.00	Bell Financial			7/21/05		\$1,374.00	N/A	7/21/2005	\$1,374.00	7/21/05			
61780	7/20/2005	\$7,517.00	MBNA America			7/21/05		\$7,517.00	N/A	7/21/2005	\$7,517.00	7/21/05			
61786	7/20/2005	\$240.00	Donald & Donna Bernier			7/21/05		\$240.00	N/A	7/21/2005	\$240.00	7/21/05			
61794	7/20/2005	\$286.00	Fred George			7/21/05		\$286.00	N/A	7/21/2005	\$286.00	7/21/05			
61817	7/20/2005	\$1,428.44	Tazewell County Treasurer			7/21/05		\$1,428.44	N/A	7/21/2005	\$1,428.44	7/21/05			
61819	7/20/2005	\$1,005.00	Vicki & John Arrowood			7/21/05		\$1,005.00	N/A	7/21/2005	\$1,005.00	7/21/05			
61821	7/20/2005	\$6,000.00	System 2000			7/21/05		\$6,000.00	N/A	7/21/2005	\$6,000.00	7/21/05			
61826	7/20/2005	\$2,000.00	ARM Enterprises			7/21/05		\$2,000.00	N/A	7/21/2005	\$2,000.00	7/21/05			
61827	7/20/2005	\$8,538.00	Michael Warden			7/21/05		\$8,538.00	N/A	7/21/2005	\$8,538.00	7/21/05			
														\$86,859.22	Funded Gateway Bank Via Wire Transfer from STC on 7/21/05
56793	7/21/2005	\$15,698.64	CITL-NSF			7/22/05		\$15,698.64	N/A	7/22/2005	\$15,698.64	7/22/05			
57794	7/21/2005	\$354.00	Telecorp			7/22/05		\$354.00	N/A	7/22/2005	\$354.00	7/22/05			
58784	7/21/2005	\$3,764.00	MBNA America			7/22/05		\$3,764.00	N/A	7/22/2005	\$3,764.00	7/22/05			

Check No.	Date	Amount	Payable to	Copy of A-Title Check	ATEC file #	Dates Presented	Date Rejected	Rejected Amount	Date Received	Date Paid	Paid Amount	Check Cleared	Obtained Check	Total	Comment
58893	7/21/2005	\$710.00	Morgan County Treasurer			7/22/05		\$710.00	N/A	7/22/2005	\$710.00	7/22/05			
60428	7/14/2005	\$1,074.00	Racine County Treasurer			7/22/05		\$1,074.00	N/A	7/22/2005	\$1,074.00	7/22/05			
60710	7/15/2005	\$2,513.86	Lake County Treasurer			7/22/05		\$2,513.86	N/A	7/22/2005	\$2,513.86	7/22/05			
60746	7/15/2005	\$6,573.75	Secured Mortgage			7/22/05		\$6,573.75	N/A	7/22/2005	\$6,573.75	7/22/05			
60806	7/21/2005	\$1,091.00	Chase			7/22/05		\$1,091.00	N/A	7/22/2005	\$1,091.00	7/22/05			
61011	7/21/2005		Mercurio-funded by STC twice			7/22/05		\$0.00	N/A	7/22/2005	\$13,292.72	7/22/05			
61062	7/21/2005	\$774.10	Bonnie Jean Fraizer & Diane Watkins			7/22/05		\$774.10	N/A	7/22/2005	\$774.10	7/22/05			
61106	7/14/2005	\$15,298.00	Citi			7/22/05		\$15,298.00	N/A	7/22/2005	\$15,298.00	7/22/05			
61107	7/21/2005	\$5,978.00	Discover			7/22/05		\$5,978.00	N/A	7/22/2005	\$5,978.00	7/22/05			
61257	7/21/2005	\$5,751.00	Chase			7/22/05		\$5,751.00	N/A	7/22/2005	\$5,751.00	7/22/05			
61378	7/21/2005	\$266.00	Creditors Collection			7/22/05		\$266.00	N/A	7/22/2005	\$266.00	7/22/05			
61483	7/21/2005	\$800.00	LaSalle County Treasurer			7/22/05		\$800.00	N/A	7/22/2005	\$800.00	7/22/05			
61512	7/21/2005	\$89,476.45	HSBC			7/22/05		\$89,476.45	N/A	7/22/2005	\$89,476.45	7/22/05			
61729	7/21/2005	\$307.00	Capitol One			7/22/05		\$307.00	N/A	7/22/2005	\$307.00	7/22/05			
61731	7/21/2005	\$1,491.00	Wi Elec			7/22/05		\$1,491.00	N/A	7/22/2005	\$1,491.00	7/22/05			
61810	7/21/2005	\$7,873.00	HSBC NV			7/22/05		\$7,873.00	N/A	7/22/2005	\$7,873.00	7/22/05			
61812	7/15/2005	\$43,014.79	National City Mortgage			7/22/05		\$43,014.79	N/A	7/22/2005	\$43,014.79	7/22/05			
61825	7/21/2005	\$2,632.50	Custom modular Home			7/22/05		\$2,632.50	N/A	7/22/2005	\$2,632.50	7/22/05			
														\$218,733.81	Funded Gateway Bank Via Wire Transfer from
														STC on 7/22/05	
														\$ 450,594.25	Total funded to Gateway Bank

Appendix B - Stewart Title Company Reissued A-Title escrow checks.

Check No.	Date	Amount	Payable to	Copy of A-Title Check (Appendix C Pg.)	ATEC file #	Dates Presented	Date Rejected	Reject Amount	Date Received	Reissued Check Date	Paid Amount	Check Cleared	Obtained Check (O - Outstanding check or CC - Cancelled)	STC Check #	Comment
1	52803	7/28/2005	\$1,092.00	St. Clair County		7/28		\$1,092.00	10/25/2005	10/25/2005	\$1,092.00	11/2/05	CC	111961	RFD sent on 10/24/05
2	54707	7/28/2005	\$652.00	Carroll County Treasurer	9	7/28		\$652.00	9/30/2005	9/29/2005	\$652.00	10/13/05	CC	109331	RFD sent on 9/28/05
3	55443	7/14/2005	\$1,199.00	Jefferson County Treasurer	1	7/14, 7/15		\$1,199.00	8/8/2005	8/4/2005	\$1,199.00	10/11/05	CC	105196	RFD on 8/3/05
4	55690	7/15/2005	\$1,604.00	Christian County Treasurer				\$1,604.00	8/8/2005	8/4/2005	\$1,604.00	8/16/05	CC	105194	RFD on 8/3/05
5	56107	7/14/2005	\$733.00	JoDavies County Treasurer				\$733.00	8/8/2005	8/4/2005	\$733.00	8/12/05	CC	105195	RFD on 8/3/05
6	56220	7/26/2005	\$591.00	Moultre County Treasurer				\$591.00	8/8/2005	8/4/2005	\$591.00	10/20/05	CC	105197	RFD on 8/3/05
7	58149	7/28/2005	\$1,138.00	Jefferson County Treasurer	1	7/28		\$1,138.00	9/8/2005	9/7/2005	\$1,138.00	9/20/05	CC	107934	RFD sent on 9/6905
8	59568	7/27/2005	\$6,643.10	Raymond, melodie Ainslie	7	7/27		\$6,643.10	8/8/2005	8/6/2005	\$6,643.10	8/10/05	CC	105480	RFD on 8/5/05
9	60278	7/25/2005	\$351.96	Asset Acqpt		7/25, 7/29		\$351.96	8/8/2005	8/4/2005	\$351.96	9/8/05	CC	105182	RFD on 8/3/05
10	60283	7/25/2005	\$1,780.58	Jose Guadalupe Martinez		7/25		\$1,780.58	8/8/2005	8/4/2005	\$1,780.58	9/9/05	CC	105200	RFD on 8/3/05
11	60470	7/27/2005	\$1,036.00	Providian Financial	8	7/27		\$1,036.00	9/29/2005	9/29/2005	\$1,036.00	10/17/05	CC	109341	RFD on 9/20/05
12	60481	7/26/2005	\$581.00	Macon County Treasurer	9	7/28		\$581.00	9/27/2005	9/21/2005	\$581.00	10/5/05	CC	109179	RFD on 9/21/05
13	60642	7/22/2005	\$549.00	Crawford County Treasurer		7/22, 7/28		\$549.00	8/11/2005	8/11/2005	\$549.00	8/18/05	CC	105685	RFD on 8/10/05 by Ellie Sharpe Payee Eric & Jami Hamon
14	60648	7/14/2005	\$870.00	Blair Corporation		7/14, 7/15		\$870.00	8/8/2005	8/4/2005	\$870.00	8/18/05	CC	105183	RFD on 8/3/05
15	60788	7/18/2005	\$46,540.71	McDarland & Cornfield		7/18, 7/29	7/18/2005	\$46,540.71	Initially rejected but now approved						RFD on 8/1/05, w-9 needed, payee change, 2nd
16	60807	7/25/2005	\$402.00	Illinois Fed CU	50118744	7/15, 7/25		\$402.00	8/8/2005	8/11/05	\$46,540.71	9/12/05	CC	107746	RFD sent 8/10/05 by Ellie Sharpe, Payee Ruth & Tom Thayer
17	60892	7/22/2005	\$60.00	CWCM	050118901	7/22		\$60.00	9/30/2005	9/29/2005	\$402.00	8/18/05	CC	105306	RFD sent on 8/4/05
					50119425						\$60.00	10/14/05	CC	109329	RFD sent on 9/28/05

Check No.	Date	Amount	Payable to	Copy of A-Title Check	ATEC file #	Dates Presented	Date Rejected	Rejected Amount	Date Received	Date Paid	Paid Amount	Check Cleared	Obtained Check	Total	Comment
18	61045	7/15/2005	\$1,632.39	McLean County Treasurer		05011914	7/15, 7/27			8/11/2005	\$1,632.39	8/24/05	CC	105688	RFD sent on 8/10/05 by Ellie Sharpe
19	61074	7/25/2005	\$3,267.00	Direct Merchants	25	050118586	7/25			9/6/2005	\$3,267.00	9/21/05	CC	107872	RFD on 9/2/05
20	61105	7/14/2005	\$22,013.00	Chase		050119211	7/14, 7/15			8/8/2005	\$22,013.00	8/30/05	CC	105185	RFD on 8/10/05
21	61251	7/15/2005	\$465.00	Capitol One		050119220		\$465.00		8/11/2005	\$465.00	8/23/05	CC	105680	RFD on 8/10/05 by Ellie Sharpe
22	61252	7/25/2005	\$3,646.00	Capital One		050119220	7/25	\$3,646.00		8/11/2005	\$3,646.00	8/23/05	CC	105684	RFD on 8/10/05 by Ellie Sharpe
23	61254	7/15/2005	\$916.00	Capitol One		050119220		\$916.00		8/11/2005	\$916.00	8/22/05	CC	105682	RFD on 8/10/05 by Ellie Sharpe
24	61256	7/26/2005	\$2,023.00	Capitol One		050119220		\$2,023.00		8/11/2005	\$2,023.00	8/25/05	CC	105683	RFD on 8/10/05 by Ellie Sharpe
25	61259	7/29/2005	\$4,572.00	Emerge		050119220	7/29	\$4,572.00		9/21/2005	\$4,572.00	10/12/05	CC	109165	RFD on 9/21/05
26	61313	7/25/2005	\$532.00	Capital One		050119456	7/25	\$532.00		8/11/2005	\$532.00	8/22/05	CC	105681	RFD on 8/10/05 by Ellie Sharpe
27	61378	7/29/2005	\$221.00	Credit Protection Assoc		050119159	7/29	\$221.00		11/2/2005	\$221.00	12/9/05	CC	112948	RFD sent on 11/1/2005
28	61380	7/25/2005	\$80.00	King Music	11	05011959	7/25	\$80.00		11/2/2005	\$80.00	12/12/05	CC	112949	RFD sent on 11/1/2005
29	61382	7/25/2005	\$288.00	Park Dansan		050119159	7/25	\$288.00		11/2/2005	\$288.00	11/16/05	CC	112951	RFD sent on 11/1/2005
30	61479	7/14/2005	\$974.00	Capitol One		050119219	7/14, 7/15	\$974.00		8/5/2005	\$974.00	8/25/05	CC	105292	RFD sent on 8/4/05
31	61529	7/22/2005	\$19,761.56	Dennis & Cynthia Russell		050118920	7/22	\$19,761.56		8/5/2005	\$19,761.56	8/12/05	CC	105309	RFD sent on 8/4/05
32	61603	7/14/2005	\$12,941.00	HSBC Auto			7/14, 7/15	\$12,941.00		10/6/2005	\$12,941.00	10/21/05	CC	110411	RFD sent on 10/5/05
33	61665	7/14/2005	\$1,091.00	Alberto Vazquez			7/14, 7/15	\$1,091.00		8/11/2005	\$1,091.00	8/22/05	CC	105895	RFD sent on 8/10/05 by Ellie Sharpe
34	61666	7/25/2005	\$339.36	Robin J. Lemons		050118572	7/14, 7/25	\$339.36		8/4/2005	\$339.36	8/15/05	CC	105199	RFD on 8/3/05
35	61674	7/20/2005	\$4,089.00	Chase (Godwin)		050118002		\$4,089.00		8/24/2005	\$4,089.00	9/12/05	CC	106702	RFD on 8/23/05
36	61692	7/25/2005	\$1,466.00	Will County Treasurer		050119362	7/25	\$1,466.00		8/11/2005	\$1,466.00	8/18/05	CC	105692	RFD on 8/10/05 by Ellie Sharpe
37	61713	7/14/2005	\$10,969.00	Chase	16	50119356	7/14, 7/15	\$10,969.00		9/6/2005	\$10,969.00	9/27/05	CC	107871	RFD on 9/2/05
38	61742	7/15/2005	\$994.00	Merrick Bank		50119184		\$994.00		9/7/2005	\$994.00	9/28/05	CC	107936	RFD on 9/6/05
39	61745	7/14/2005	\$798.83	Warren R. Sasanne & Parti		050119112	7/14, 7/15	\$798.83		8/24/2005	\$798.83	9/7/05	CC	106718	RFD on 8/23/05
40	61747	7/15/2005	\$70.66	Dana Splies				\$70.66		9/29/2005	\$70.66	10/7/05	CC	109343	RFD sent on 9/28/05
41	61748	7/25/2005	\$1,714.12	Kendall County Treasurer		50117368	7/28	\$1,714.12		8/11/2005	\$1,714.12	8/19/05	CC	105896	RFD on 8/10/05 by Ellie Sharpe
42	61803	7/22/2005	\$1,124.55	Rock Island Treasurer		050118267	7/22, 7/28	\$1,124.55		8/11/2005	\$1,124.55	8/26/05	CC	105689	RFD on 8/10/05 by Ellie Sharpe
43	61820	7/15/2005	\$4,016.00	Samuel & Cheryl Dobbs		50119304		\$4,016.00		8/4/2005	\$4,016.00	8/15/05	CC	105187	RFD on 8/3/05
44	61829	7/26/2005	\$435.99	Vermillion County Treasurer				\$435.99		8/11/2005	\$435.99	8/18/05	CC	105690	RFD sent on 8/10/05 by Ellie Sharpe
45	61831	7/26/2005	\$1,057.97	Jenny Ferrufino		050118868		\$1,057.97		8/5/2005	\$1,057.97	8/12/05	CC	105305	RFD on 8/4/05
46	61832	7/27/2005	\$800.00	Andrew, Angela Szczygiel	15	050119219	7/27	\$800.00		8/5/2005	\$800.00	8/12/05	CC	105312	RFD sent on 8/4/05
47	61833	7/28/2005	\$1,708.19	Mark & Angela Baker		050119182	7/28	\$1,708.19		8/8/2005	\$1,708.19	8/12/05	CC	105481	RFD sent on 8/5/05
48	61834	7/28/2005	\$2,361.94	Winnebago County Treasurer		050119278	7/25, 7/28	\$2,361.94		8/11/2005	\$2,361.94	8/18/05	CC	105691	RFD sent on 8/10/05 by Ellie Sharpe
49	61835	7/22/2005	\$2,361.94	Lynn Nelson			7/22	\$2,361.94		8/4/2005	\$2,361.94	8/16/05	CC	105203	RFD on 8/3/05
50	61837	7/29/2005	\$7,431.00	Provident Financial	18	050119439	7/29	\$7,431.00		8/24/2005	\$7,431.00	9/1/05	CC	106716	RFD on 8/23/05- duplicate of ck #61280
51	61838	7/25/2005	\$12,869.57	Veronica P. McMahon		050119439	7/25, 7/28	\$12,869.57		8/24/2005	\$12,869.57	8/31/05	CC	106714	RFD on 8/23/05- duplicate of ck #61281-wrong ck amt by 37 cents over
52	61839	7/26/2005	\$1,683.00	Madison County Treasurer		050118436		\$1,683.00		8/11/2005	\$1,683.00	10/3/05	CC	105687	RFD on 8/10/05 by Ellie Sharpe
53	60874	7/14/2005	\$5,457.00	Discover		050119051	7/14	\$5,457.00		8/5/2005	\$5,457.00	8/16/05	CC	105282	RFD on 8/4/05
54	61058	6/28/2005	2,410.00	LCM	14	50119439	8/1/05	2,410.00		8/23/2005	2,410.00	8/30/05	CC	106713	Sarah Boan List -8/4/05
55			*80,668.95	North Shore Bank		50118454		*80,668.95		9/6/2005	80,426.19	9/8/05	CC	107876	payoff was only \$80,426.19 on 9/2/05
56	61601	6/30/2005	3,828.00	Citibank, NA	27	50118951	8/19/05	3,828.00		10/6/2005	3,828.00		O	110408	
57	61590	6/30/2005	193.00	American Collection	15	50118951	8/4/05	193.00		10/6/2005	193.00	10/24/05	CC	110403	
58	61591	6/30/2005	340.00	Anderson Financial	6	50118951	8/4/05	340.00		10/6/2005	340.00	10/28/05	CC	110404	
59	61597		192.00	Capital One				192.00		10/6/2005	192.00	11/30/05	CC	110405	
60	61596	6/30/2005	193.00	Capital One	41	50118951	9/1/05	193.00		10/6/2005	193.00	11/30/05	CC	110406	
61	61598		200.00	CCA Credit				200.00		10/6/2005	200.00		O	110407	
62	61602		596.00	Harris				596.00		10/6/2005	596.00		O	110409	
63	59926	6/8/2005	1,012.59	Kristine & Jimmie Houston	46	50118990	9/30/05	1,012.59		10/6/2005	1,012.59	10/24/05	CC	110410	
64	61607		259.00	Superior Asset		59118951		259.00		10/6/2005	259.00	10/27/05	CC	110415	
65	61592		250.00	Arrow Appraisal				250.00		9/29/2005	250.00	10/11/05	O	109324	
66	59594		897.00	Capital One		50117938		897.00		9/29/2005	897.00	10/19/05	CC	109326	
67	61599		495.00	Cincinnati Bell				495.00		9/29/2005	495.00		O	109327	
68	61600	6/30/2005	4,821.00	Citibank, NA	22	50118951	8/10/05	4,821.00		9/29/2005	4,821.00	10/25/05	CC	109328	
69	59952	6/9/2005	71.18	Kristine & Jimmie Houston	48	50118989	9/30/05	71.18		9/29/2005	71.18	10/24/05	CC	109330	

Check No.	Check Date	Amount	Payable to	Copy of A-Title Check	ATEC file #	Dates Presented	Date Rejected	Rejected Amount	Date Received	Date Paid	Paid Amount	Check Cleared	Obtained Check	Total	Comment
70	54394 4/6/2005	872.00	Douglas County Treasurer	3	50117647	8/3/05		872.00		9/29/2005	872.00	10/7/05	CC	109332	
71	61085 6/29/2005	408.00	City of Freeport	14	50119345	8/4/05		408.00		9/29/2005	408.00	10/11/05	CC	109333	
72	61654 7/1/2005	922.00	City of Freeport	13	50119342	8/4/05		922.00		9/29/2005	922.00	10/11/05	CC	109334	
73	60339 6/17/2005	559.60	Knox County Treasurer	19	50119054	8/8/05		559.60		9/14/2005	559.60	10/4/05	CC	108646	
74	57951 5/19/2005	1,217.00	Milwaukee County Treasurer	4	50118568	8/3/05		1,217.00		9/29/2005	1,217.00	10/7/05	CC	109336	
75	57606 5/17/2005	1,063.35	Polk County Treasurer	13	50118175	8/4/05		1,063.35		9/29/2005	1,063.35	10/11/05	CC	109337	
76	61413 6/30/2005	200.00	Wayne County Treasurer	6	50119002	8/4/05		200.00		9/29/2005	200.00	10/6/05	CC	109338	
77	61689 7/9/2005	103.23	Wayne County Treasurer	21	50119264	8/8/05		103.23		9/29/2005	103.23	10/6/05	CC	109339	
78	61606 6/30/2005	835.00	Spiegel	17	50118951	8/5/05		835.00		9/29/2005	835.00	10/24/05	CC	109342	
79	61828 7/19/2005	300.00	Rodger Thomas	21	50118951	8/8/05		300.00		9/29/2005	300.00	10/17/05	CC	109344	
80	60182 6/15/2005	57.86	Jerry Walters	29	50118855	8/9/05		57.86		9/29/2005	57.86	10/12/05	CC	109345	
81	60994 6/28/2005	199.00	Bank of America	14	50119236	8/4/05		199.00		9/14/2005	199.00	10/11/05	CC	108456	
82		1,986.00	CB&T / Aspire		50117351			1,986.00	9/14/05 9/28/05	9/14/2005	1,986.00	10/11/05	CC	109325	
83	61774 7/7/2005	2,471.00	CBUSA	5	50117351	8/4/05		2,471.00		9/14/2005	2,471.00	9/27/05	CC	108458	
84	61078 6/28/2005	887.95	Donald & Jennifer DeBusk	35	50118586	8/25/05		887.95		9/14/2005	887.95	10/31/05	CC	108459	
85	60997 6/28/2005	463.00	HSBC NV	5	50119236	8/4/05		463.00		9/14/2005	463.00	10/7/05	CC	108460	
86	53419 3/28/2005	511.00	Efingham County Treasurer	26	50117695	8/11/05		511.00		9/14/2005	511.00	9/23/05	CC	108461	
87		733.00	State Farm		50118399			733.00		9/14/2005	733.00	9/23/05	CC	108466	
88	56782 5/2/2005	575.00	Marion County Treasurer	33	50118042	8/23/05		575.00		9/14/2005	575.00	10/13/05	CC	108464	
89		532.16	Lake County Treasurer		50118586			532.16		9/14/2005	532.16		O	108463	
90	61160 6/29/2005	1,174.00	Putnam County Treasurer	20	50119380	8/8/05		1,174.00	second 1/2	9/21/2005	1,174.00	10/5/05	CC	109179	
91	61159 6/29/2005	1,174.00	Putnam County Treasurer	19	50119380	8/8/05		1,174.00		9/21/2005	1,174.00	10/50/05	CC	109180	
92	60727	115.00	Larry Rentschler		50119286			115.00		9/7/2005	115.98	9/19/05	CC	107937	original ck for \$1757.36-reimbursement divided, late taxes- ck should have been \$115.98
93	60727	1,641.38	Morgan County Treasurer		50119286			1,641.38		9/7/2005	1,641.38	9/15/05	CC	107935	original ck for \$1757.36-reimbursement divided, late taxes
94	61755 7/7/2005	2,701.00	DuPage County Treasurer	3	50119516	8/3/05		2,701.00		9/7/2005	2,701.00	11/1/05	CC	107932	
95	53744	804.75	Michael Cantwell & Sara Miller		50117314			804.75		9/7/2005	804.75	9/14/05	CC	107929	
96	57772	459.00	William Coleman		50118522			459.00		9/7/2005	459.00	9/15/05	CC	107930	original ck to Trust Rec Srv. Account paid reimburse borrower
97	61349 6/30/2005	3,352.80	DuPage County Treasurer	20	50119189	8/8/05		3,352.80		10/7/2005	3,352.80	11/4/05	CC	110521	
98	61351 6/30/2005	139.17	David Bentley	20	50119189	8/8/05		139.17		9/7/2005	139.17	9/20/05	CC	107928	
99	51998 3/8/2005	15,078.84	Bonnie Gilbert/ ARCI	6	50117163	8/4/05		15,078.84		9/7/2005	15,078.84	9/20/05	CC	107931	
100	60818	158.00	Betty & Murray Thompson		50118734			158.00		8/24/2005	158.00	9/2/05	CC	106719	original ck for \$316- reimbursement split b/c taxes late
101	60372	954.00	Pamela Washington		50119118			954.00		8/24/2005	954.00	9/6/05	CC	106720	midland finance original payee EJ verified paid
102	61264 6/29/2005	508.00	Raomans	10	50119220	8/4/05		508.00		8/24/2005	508.00	9/7/05	CC	106717	
103	55264	187.00	NCO Medair		50118966			187.00		8/24/2005	187.00		O	106715	
104	60818	158.00	Sangamon county Treasurer		50118734			158.00		8/24/2005	158.00		O	106711	original ck for \$316- reimbursement split b/c taxes late
105	61841 7/27/2005	2,162.00	Ann Kretnmeyer	9	50118096			2,162.00		8/24/2005	2,162.00	9/19/05	CC	106712	
106	55230	709.00	LaSalle County		50118097			709.00		8/24/2005	709.00	10/11/05	CC	106708	
107	61781 7/7/2005	2,053.28	Stark County Treasurer	19	50117351	8/8/05		2,053.28		8/24/2005	2,053.28	9/6/05	CC	106710	
108		1,256.28	Raymond & Melodie Ainslie		50118002			1,256.28		8/24/2005	1,256.28	9/12/05	CC	106700	
109	61692	733.00	Adams County		50118002			733.00		8/24/2005	0.00		VOIDED		original ck for \$1466- reimbursement split b/c taxes late
110	58221	163.00	Theresa Collins		50118408			163.00		8/24/2005	163.00	9/2/05	CC	106703	
111	55241	215.00	CBE Group		50118966			215.00		8/24/2005	215.00		O	106701	
112	61692	733.00	Steve Goodwin		50118002			733.00		8/24/2005	733.00	8/30/05	CC	106705	original ck for \$1466-reimbursement split b/c taxes late
113	55243	190.00	Credit Protection Association		50118966			190.00		8/24/2005	190.00		O	106704	

	Check No.	Date	Amount	Payable to	Copy of A-Title Check	ATEC file #	Dates Presented	Date Rejected	Rejected Amount	Date Received	Date Paid	Paid Amount	Check Cleared	Obtained Check	Total	Comment
114	61836	7/19/2005	1,194.00	HSBC Carson	10	50119439	8/4/05		1,194.00		8/24/2005	1,194.00	9/2/05	CC	106707	
115	55244		369.00	HSBC Carson		5011896			369.00		8/24/2005	369.00		O	106706	
116	60956		128,674.66	HomeEq		50119207			128,674.66		8/29/2005	128,674.66	9/6/05	CC	107328	original ck was for \$122,278.16. mortgage payoff
117	61514	6/30/2005	913.00	Sanagamon County Treasurer	42	50113898	9/1/05		913.00	10/25/2005	10/25/2005	913.00	11/1/05	CC	111960	Check reissued to James Hetfinger
118	61617		200.00	H&R Block (Kale)	45	50118753			200.00		11/22/2005	200.00		O	114760	taxes for Lori Crowder
119	59856	6/7/2005	2,268.16	H&R Block (Suchy)	42	50118977	9/1/05		2,268.16		11/22/2005	2,268.16		O	114763	original ck to Will County for taxes
120	57501		974.00	H&R Block (Green)		50118387			974.00		11/22/2005	974.00		O	114761	original payee Cook County (property taxes)
121	61068	6/28/2005	2,226.39	H&R Block (Lopiparo)	35	50118957	8/25/05		2,226.39		11/22/2005	2,226.39	1/26/06	CC	114762	original payee Lake Co. Treasurer (taxes)-
122	56394	4/29/2005	11,895.00	Citicard	34	50118450	8/25/05		11,895.00		11/22/2005	11,895.00	12/7/05	CC	114755	reimbursement
123	60401	6/21/2005	466.00	David Ladd	123	50118898	8/19/05		466.00		11/22/2005	466.00	12/7/05	CC	114766	
124	60079	6/30/2005	350.00	Appraisal Assoc	22	50118023	8/10/05		350.00		11/22/2005	350.00	12/12/05	CC	114751	
125	60400		1,500.00	Mark Strohmav		50118627			1,500.00		11/23/2005	1,500.00	12/16/05	CC	114985	
126	46548		5,449.00	Nationwide Credit		40118780			5,449.00		11/22/2005	5,449.00	1/17/06	CC	114768	
127	58311		618.00	Anoka County		50118627			618.00		11/22/2005	618.00	12/19/05	CC	114765	
128	56252		205.00	Daniel Miller		50118957			205.00		11/22/2005	205.00	12/7/05	CC	114767	original payee Personal Finance
129	55102		1,672.06	Olga Ramos		50118034			1,672.06		11/22/2005	1,672.06	12/14/05	CC	114770	
130	61649		800.00	Tom Wolfe		50199217			800.00		11/22/2005	800.00	1/6/06	CC	114774	original ck to A Title in amount of \$2000 TI hold back -reimbursement divided b/w 4 payees
131	61649		81.60	Freeport Glass		50199217			81.60		11/22/2005	81.60	1/17/06	CC	114759	original ck to A Title in amount of \$2000 TI hold back -reimbursement divided b/w 4 payees
132	61795	7/11/2005	451.53	Jim Erickson	31	50118656	8/22/05		451.53		11/22/2005	451.53	12/21/05	CC	114756	
133	61649		22.81	Bartlett Realtors		50199217			22.81		11/22/2005	22.81	1/25/06	CC	114752	original ck to A Title in amount of \$2000 TI hold back -reimbursement divided b/w 4 payees
134	61783	7/7/2005	2,893.00	H&R Block (Day)	24	50117351	8/10/05		2,893.00		11/22/2005	2,893.00	1/6/06	CC	114764	original ck to Wells Fargo Finance
135	58074		286.00	Sears		50118488			286.00		11/22/2005	286.00	12/12/05	CC	114772	
136	57266	5/10/2005	49.99	H&R Block (Polk)	31	50118447	8/22/05		49.99		12/2/2005	49.00	1/26/06	CC	115763	original payee GEMB/Casual Corner-reimbursement
137	61707	7/5/2005	1,933.00	H&R Block (O'Dell)	40	50119390	8/30/05		1,933.00		12/2/2005	0.00		VOIDED	114769	original payee Will County (property taxes)-reimbursement

Group A    \$450,594.25  
Group B    \$512,720.22

Total Payou    \$963,314.47



**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION**

STEWART TITLE GUARANTY )  
COMPANY, a Texas corporation, )

Plaintiff, )

vs. )

A TITLE ESCROW COMPANY, INC., an )  
Illinois corporation, and )  
K. SEAN McKEE, an individual, )

Defendants. )

Case No. 05-C-50116

Judge Philip G. Reinhard  
Magistrate Judge P. Michael Mahoney

State of Illinois )  
County of Winnebago ) ss  
County of Winnebago )

**AFFIDAVIT OF SCOTT C. SULLIVAN**

Scott C. Sullivan, havin g been duly sworn under oath deposes and states as follows:

1. I am an adult, of legal age and competent to testify to the facts contained herein.
2. I am an attorney licensed in the State of Illinois and have been principal counsel for Stewart Title Guaranty Company in connection with the above captioned matter.
3. Pursuant to ¶5(b) & (c) of the Underwriting Agreement (Exhibit A of Complaint) Defendants are obligated to Stewart for attorneys' fees, litigation expenses and costs of settlement negotiations sustained or incurred by Stewart as a result of the fraud or intentional act or omission of the Defendants.

[REDACTED]

= Exhibit B =

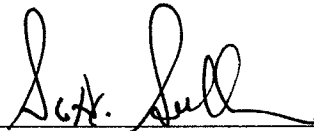
4. Attorney's fees accrued by the firm of WILLIAMSMcCARTHY, LLP for its services in connection with the above entitled matter total \$220,073.60. Costs advanced in connection with the above entitled case by the firm of WILLIAMSMcCARTHY, LLP total \$6,066.81.

5. The total fees and costs incurred by Stewart Title Guaranty Company to WILLIAMSMcCARTHY, LLP for its services in connection with the above entitled case total \$226,140.41. Total hours billed were 1,052.20 at rates ranging from \$40.00 per hour to \$260.00 per hour.

6. The undersigned affiant is in control of the billing records which can be presented *in camera* for inspection by the Court which substantiate the fees and costs set forth herein.


Further affiant sayeth not.

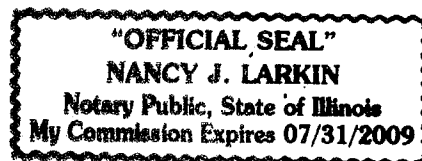
Date: July 25, 2007



Scott C. Sullivan

Subscribed and sworn to before me  
on the 25th day of July, 2007.

  
Notary Public



**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION**

STEWART TITLE GUARANTY )  
COMPANY, a Texas corporation, )  
 )  
Plaintiff, )  
 )  
vs. )  
 )  
A TITLE ESCROW COMPANY, INC., an )  
Illinois corporation, and K. SEAN )  
McKEE, an individual, )  
 )  
Defendants. )

Case No. 05-C-50116

Judge Philip G. Reinhard  
Magistrate Judge P. Michael Mahoney

**JUDGMENT ORDER**

The Court having previously entered a default judgment against the Defendants, and after reviewing the evidence submitted, this Court enters Judgment in favor Stewart Title Guaranty Company, a Texas Corporation ("Stewart Title"), against Defendants, A Title Escrow Company, Inc., an Illinois Corporation ("ATEC"), and K. Sean McKee ("McKee") as stated herein.

**THE COURT FINDS AS FOLLOWS:**

1. This court has personal jurisdiction over the parties.
2. This court has subject matter jurisdiction over the claims asserted in this lawsuit.
3. This court entered a Temporary Restraining Order on June 14, 2005, which restrained ATEC and McKee from certain actions and further froze funds located in certain accounts maintained at Kent State Bank, Plaza Bank and Gateway Community Bank.
4. This court converted the Temporary Restraining Order to an Agreed Preliminary Injunction Order on August 3, 2005.

  
Exhibit C

5. That ATEC and McKee misappropriated client escrow funds as alleged in the Verified First Amended Complaint and that such conduct on the part of ATEC and McKee amounted to a defalcation while acting in a fiduciary capacity within the meaning of 11 U.S.C. § 523 (a)(4).

WHEREFORE, IT IS HEREBY ORDERED ADJUDGED AND DECREED as follows:

1. That Judgment is entered in favor of Stewart Title Guaranty Company, a Texas Corporation ("Stewart Title") and against A Title Escrow Company, Inc., an Illinois Corporation ("ATEC"), pursuant to each of Counts I, II, III, IV, V and VI of the Complaint in the amount of one million one hundred eighty nine thousand four hundred fifty four dollars and eighty eight cents (\$1,189,454.88) plus costs of suit.

2. That Judgment is entered in favor of Stewart Title Guaranty Company, a Texas Corporation and against K. Sean McKee pursuant to each of Counts II, III, IV, V and VI of the Complaint in the amount of one million one hundred eighty nine thousand four hundred fifty four dollars and eighty eight cents (\$1,189,454.88) plus costs of suit.

3. It is further ordered that a permanent injunction is hereby entered compelling Kent Bank and Plaza Bank to pay over all funds in any accounts maintained in the name of A Title Escrow Company, Inc., to Stewart Title Guaranty Company within five (5) days of receipt of this Consent Judgement Order.

4. It is further ordered that the Clerk of the District Court pay over the sum of fifty nine thousand two hundred twenty three dollars and fifty nine cents (\$59,223.59) to Stewart Title Guaranty Company which had previously been deposited with the Clerk pursuant to this Court's order dated February 8, 2007.

5. This Court shall retain jurisdiction of this case for purposes of enforcing each and all terms of the terms of this final Judgment Order.

Date: \_\_\_\_\_

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Judge Philip G. Reinhard

Prepared by:

Scott C. Sullivan  
WilliamsMcCarthyLLP  
P.O. Box 219  
Rockford, IL 61105-0219  
815/987-8900